

QUARTERLY REPORT

Creepy Jar S.A.

for Q3 2021



CREEPY  JAR

29 November 2021, Warsaw



SELECTED FINANCIAL DATA

Profit and loss account	thous. PLN		thous. EUR	
	01.01.2021	01.01.2020	01.01.2021	01.01.2020
	-30.09.2021	-30.09.2020	-30.09.2021	-30.09.2020
Net revenues from sales	35,307	30,632	7,937	6,896
Operating expenses	12,048	9,387	2,708	2,113
Profit (loss) on sales	23,259	21,245	5,228	4,783
Profit (loss) on operating activities	23,267	21,241	5,230	4,782
Gross profit (loss)	24,078	20,554	5,413	4,627
Net profit (loss)	21,139	15,807	4,752	3,558

Cash flow statement	thous. PLN		thous. EUR	
	01.01.2021	01.01.2020	01.01.2021	01.01.2020
	-30.09.2021	-30.09.2020	-30.09.2021	-30.09.2020
Net cash flows from operating activities	24,534	20,094	5,515	4,524
Net cash flows from investment activities	-2,565	-2,237	-577	-504
Net cash flows from financial activities	-111	-112	-25	-25
Cash opening balance	27,993	6,237	6,042	1,465
Closing balance of cash	49,852	23,982	10,760	2,377

Balance sheet	thous. PLN		thous. EUR	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	Fixed assets	7,216	3,187	1,558
Current assets	59,366	34,695	12,814	7,518
Equity	61,523	35,481	13,279	7,689
Short-term liabilities	3,385	1,832	731	397
Long-term liabilities	268	422	58	91
Book value (in PLN)	61,522,567	35,481,063	13,279,494	7,688,538
Number of ordinary shares	679,436	679,436	679,436	679,436
Book value per share (in PLN)	90.55	52.22	19.54	11.32
Diluted number of ordinary shares	698,333	697,567	698,333	697,567
Diluted book value per share (in PLN)	88.10	50.86	19.02	11.02

Selected financial data contained have been converted into EURO according to the following principles:

Items included in the balance sheet at the average exchange rate announced by the National Bank of Poland on the last balance sheet date:

Exchange rate as of 30 September 2020 – 4.5268

Exchange rate as of 31 December 2021 – 4.6148

Exchange rate as of 31 September 2021 – 4.6329

To convert items in the profit and loss account and cash flow statement the arithmetic mean of the exchange rates announced by the National Bank of Poland on the last date of each month of the period was used:

Exchange rate for three quarters of 2020 – 4.4420

Exchange rate for three quarters of 2021 – 4.4485



DISCLAIMER

This English language document has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail.

CREEPY JAR S.A., its representatives and employees decline any responsibility in this regard.



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CONDENSED FINANCIAL STATEMENTS

Creepy Jar S.A.

for Q3 2021





CONDENSED FINANCIAL STATEMENTS FOR THE THIRD QUARTER OF 2021

BALANCE SHEET

(in PLN)

ASSETS	30.09.2021	30.06.2021	31.12.2020	30.09.2020
I. Fixed assets	7,216,298	5,696,956	3,187,449	2,251,154
1. Intangible assets	967,270	1,057,118	14,144	17,407
1.1 R&D expenses	962,918	1,049,502	0	0
1.2 other intangible assets	4,352	7,616	14,144	17,407
2. Tangible fixed assets	748,507	778,720	725,076	701,681
2.1. other tangible fixed assets	748,507	778,720	725,076	0
a) land (including right to perpetual usufruct)	0	0	0	33,627
b) buildings, premises, right to premises and civil engineering works	170,353	171,621	26,243	40,339
c) technical equipment and machines	122,279	107,450	114,572	627,716
d) vehicles	453,906	497,357	584,261	0
e) other fixed assets	1,969	2,292	0	0
2.2. advances for tangible fixed assets under construction	0	0	0	0
3. Long-term receivables	0	0	0	0
4. Long-term investments	0	0	0	0
5. Long-term prepayments	5,500,521	3,861,118	2,448,230	1,532,065
5.1. Deferred tax assets	3,007,791	1,958,222	113,846	275,573
5.2. Other accruals	2,492,730	1,902,896	2,334,384	1,256,492
II. Current assets	59,366,122	48,578,184	34,694,782	28,014,478
1. Inventory	0	0	0	0
2. Short-term receivables	9,312,351	10,234,180	6,607,043	3,610,245
2.1. From related parties	0	0	0	0
2.2. From other entities where the issuer has an interest in the capital	0	0	0	0
2.3. From other entities	9,312,351	10,234,180	6,607,043	3,610,245
a) trade receivables	7,862,600	9,164,032	3,170,768	2,484,954
- up to 12 months	7,862,600	9,164,032	3,170,768	2,484,954
- over 12 months	0	0	0	0
b) receivables from tax, subsidy, customs, social security and other benefits	331,354	381,298	3,418,263	204,802
c) other	1,118,397	688,850	18,012	920,490
d) claimed at court	0	0	0	0
3. Short-term investments	49,875,518	38,098,634	27,977,404	24,327,035
3.1. Short-term financial assets	49,875,518	38,098,634	27,977,404	24,327,035
a) in related parties	0	0	0	0
b) in other entities	0	0	0	0
c) cash and cash equivalents	49,875,518	38,098,634	27,977,404	24,126,746
- cash at hand and at bank	49,875,518	38,098,634	27,977,404	24,126,746
- other cash	0	0	0	0
3.2. Other short-term investments	0	0	0	200,288
4. Short-term prepayments	178,254	245,370	110,334	77,198
III. Called up share capital not paid	0	0	0	0
IV. Own shares (stocks)	0	0	0	0
TOTAL ASSETS	66,582,420	54,275,140	37,882,231	30,265,632



(in PLN)

LIABILITIES	30.09.2021	30.06.2021	31.12.2020	30.09.2020
I. Equity	61 522,567	50,749,469	35,481,063	27,479,948
1. Share capital	679,436	679,436	679,436	679,436
2. Supplementary capital	3 501,831	3,501,831	3,501,831	3,501,831
3. Revaluation reserve	0	0	0	0
4. Other reserves	36 069,337	34,373,253	8,758,001	7,359,068
4.1 Created in accordance with the company's articles of association	25 135,731	25,135,731	2,726,960	2,726,960
4.2 Created in connection with share-based payments	10 933,606	9,237,521	6,031,041	4,632,108
5. Accumulated profit (loss) from previous years	133,023	133,023	133,023	133,023
6. Net profit (loss)	21 138,939	12,061,925	22,408,772	15,806,588
7. Write-off on net profit during the financial year (negative value)	0	0	0	0
II. Liabilities and provisions for liabilities	5,059,853	3,525,671	2,401,167	2,785,684
1. Provisions for liabilities	1,407,263	890,153	109,005	334,042
1.1. Deferred tax liability	136,042	130,422	109,005	334,042
1.2. Provision for retirement and similar benefits	0	0	0	0
a) long-term	0	0	0	0
b) short-term	0	0	0	0
1.3. Other provisions	1,271,221	759,731	0	0
a) long-term	0	0	0	0
b) short-term	1,271,221	759,731	0	0
2. Long-term liabilities	267,714	306,624	421,801	421,801
2.1. To related parties	0	0	0	0
2.2. To other entities in which the entity has an equity interest	0	0	0	0
2.3. To other entities	267,714	306,624	421,801	421,801
a) credits and loans	0	0	0	0
b) arising from issuance of debt securities	0	0	0	0
c) other financial liabilities	267,714	306,624	421,801	421,801
d) bill of exchange liabilities	0	0	0	0
e) other	0	0	0	0
3. Short-term liabilities	3,384,876	2,328,894	1,832,361	2,010,841
3.1. Liabilities to related parties	0	0	0	0
3.2. Liabilities to other entities in which the entity has an interest in capital	0	0	0	0
3.3. Liabilities to other entities	3,384,876	2,328,894	1,832,361	2,010,841
a) credits and loans	0	0	0	0
b) arising from issuance of debt securities	0	0	0	0
c) other financial liabilities	153,966	152,421	110,783	146,993
d) trade liabilities	661,709	685,082	332,354	456,944
- up to 12 months	661,709	685,082	332,354	456,944
- over 12 months	0	0	0	0
e) received prepayments for deliveries and services	0	0	0	0
f) bill of exchange liabilities	0	0	0	0
g) tax, customs, insurance and other liabilities	2,483,245	57,997	44,088	365,315
h) payroll liabilities	84,136	1,431,556	1,343,299	1,039,752
i) other	1,820	1,838	1,838	1,838
3.4. Special funds	0	0	0	0
4. Accruals	0	0	38,000	19,000
4.1. Negative goodwill	0	0	0	0
4.2. Other accruals	0	0	38,000	19,000
a) long-term	0	0	0	0
b) short-term	0	0	38,000	19,000
TOTAL LIABILITIES	66,582,420	54,275,140	37,882,231	30,265,632
	30.09.2021	30.06.2021	31.12.2020	30.09.2020
Book value (in PLN)	61,522,567	50,749,469	35,481,063	27,479,948
Number of ordinary shares	679,436	679,436	679,436	679,436
Book value per share (in PLN)	90.55	74.69	52.22	40.45
Diluted number of ordinary shares	698,283	698,063	697,567	698,063
Diluted book value per share (in PLN)	88.11	72.70	50.86	39.37



PROFIT AND LOSS ACCOUNT (COMPARATIVE VARIANT)

(in PLN)

	01.07.2021 - 30.09.2021	01.07.2020 - 30.09.2020	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
I. Net revenues from sales and equivalent, including revenues:	14,058,525	7,571,810	35,306,736	30,631,698
- from related parties	0	0	0	0
1. Net revenues from sales of products	14,058,525	7,571,810	35,306,736	30,631,698
2. Change in the balance of products (increase - positive value, decrease - negative value)	0	0	0	0
3. Manufacturing cost of products for internal purposes	0	0	0	0
4. Net revenues from sales of goods and materials	0	0	0	0
II. Operating expenses	4,132,996	6,539,537	12,047,836	9,387,178
1. Amortisation and depreciation	168,525	66,074	1,426,726	1,086,525
2. Consumption of materials and energy	89,047	75,109	178,509	149,819
3. External services	1,290,714	535,062	3,281,747	1,508,229
4. Taxes and charges, including:	10,631	2,920	20,813	6,297
- excise duty	0	0	0	0
5. Payroll	2,499,609	5,753,869	6,875,665	6,448,181
6. Social security and other benefits, including:	14,970	4,347	30,283	18,469
- pension	7,472	4,347	15,271	9,469
7. Other costs by type	59,499	102,155	234,092	169,659
8. Value of goods and materials sold	0	0	0	0
III. Profit (loss) on sales (I-II)	9,925,530	1,032,272	23,258,900	21,244,520
IV. Other operating revenues	4,504	1	9,519	7
1. Gain on disposal of non-financial fixed assets	0	0	0	0
2. Subsidies	0	0	0	0
3. Revaluation of non-financial assets	0	0	0	0
4. Other operating revenues	4,504	1	9,519	7
V. Other operating expenses	36	1	1,436	3,388
1. Loss on disposal of non-financial fixed assets	0	0	0	0
2. Revaluation of non-financial assets	0	0	0	0
3. Other operating expenses	36	1	1,436	3,388
VI. Profit (loss) on operating activities (III+IV-V)	9,929,998	1,032,273	23,266,984	21,241,140
VII. Financial revenues	528,965	0	881,846	126,871
1. Dividends and profit-sharing	0	0	0	0
2. Interest, including:	0	0	0	739
- from related parties	0	0	0	0
3. Gain on disposal of financial assets	0	0	0	0
4. Revaluation of financial assets	0	0	0	0
5. Other	528,965	0	881,846	126,132
VIII. Financial expenses	36,549	414,876	70,367	814,420
1. Interest, including:	36,549	3,129	70,367	5,424
- for related parties	0	0	0	0
2. Loss on disposal of financial assets, including:	0	0	0	0
- in related parties	0	0	0	0
3. Revaluation of financial assets	0	0	0	0
4. Other	0	411,747	0	808,996
IX. Gross profit (loss) (VI+VII-VIII)	10,422,414	617,397	24,078,462	20,553,590
X. Income tax	1,345,400	892,886	2,939,523	4,747,002
1. Current tax	2,389,349	934,966	5,806,431	4,712,353
2. Deferred tax	-1,043,949	-42,080	-2,866,908	34,649
XI. Other statutory reductions in profit (increases in loss)	0	0	0	0
XII. Net profit (loss) (IX-X-XI)	9,077,014	-275,489	21,138,939	15,806,588
	01.07.2021 - 30.09.2021	01.07.2020 - 30.09.2020	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Net profit (loss) (annualized) (PLN)*	36,308,055.60	-1,101,955.84	28,185,252.49	21,075,451.31
Weighted average number of ordinary shares	679,436	679,436	679,436	679,436
Profit (loss) per share (in PLN)	53.44	-1.62	41.48	31.02
Diluted weighted average number of ordinary shares	697,931.70	686,383.22	697,921.37	681,768.64
Diluted net profit (loss) per share (in PLN)	52.02	-1.61	40.38	30.91

*Net profit of the third quarter annualized by multiplying by the number 4, net profit for the period of three quarters annualized by multiplying by the number 4 and dividing by the number 3.



STATEMENT OF CHANGES IN EQUITY

(in PLN)

	01.07.2021 - 30.09.2021	01.01.2021 - 30.09.2021	01.01.2020 - 31.12.2020	01.01.2020 - 30.09.2020
I. Opening balance of equity	50,749,469	35,481,063	7,042,226	7,042,226
a) changes to the adopted accounting principles (policy)	0	0	0	0
b) adjustment of errors	0	0	-975	-975
II. Opening balance of equity after adjustments	50,749,469	35,481,063	7,041,251	7,041,251
1. Opening balance of share capital	679,436	679,436	679,436	679,436
1.1. Changes in the share capital	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
1.2. Closing balance of share capital	679,436	679,436	679,436	679,436
2. Opening balance of supplementary capital	3,501,831	3,501,831	3,790,074	3,790,074
a) adjustments of errors	0	0	-288,243	-288,243
2.1. Opening balance of supplementary capital after adjustments	3,501,831	3,501,831	3,501,831	3,501,831
2.2. Changes in supplementary capital	0	0	0	0
a) increase (due to)	0	0	0	0
- share issues above par	0	0	0	0
- profit distribution (statutory)	0	0	0	0
- profit distribution (over the statutorily required minimum value)	0	0	0	0
b) decrease (due to)	0	0	0	0
- loss coverage	0	0	0	0
2.3. Closing balance of supplementary capital	3,501,831	3,501,831	3,501,831	3,501,831
3. Opening balance of revaluation reserve	0	0	0	0
3.1. Changes in revaluation reserve	0	0	0	0
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
3.2. Closing balance of revaluation reserve	0	0	0	0
4. Opening balance of other reserves	34,373,253	8,758,001	0	0
4.1. Changes in other reserves	1,696,084	27,311,336	8,758,001	7,359,068
a) increase (due to)	1,696,084	27,311,336	8,758,001	7,359,068
- profit distribution	0	22,408,772	2,726,960	2,726,960
- share-based payment	1,696,084	4,902,565	6,031,041	4,632,108
b) decrease (due to)	0	0	0	0
4.2. Closing balance of other reserves	36,069,337	36,069,337	8,758,001	7,359,068
5. Opening balance of previous years' profit (loss)	133,023	22,541,795	2,572,716	2,572,716
5.1. Opening balance of previous years' profit	206,774	22,615,546	2,572,716	2,572,716
a) changes to the adopted accounting principles (policy)	0	0	0	0
b) adjustment of errors	0	0	361,018	361,018
5.2. Opening balance of previous years' profit after adjustments	206,774	22,615,546	2,933,734	2,933,734
a) increase (due to)	0	0	0	0
- undistributed profit	0	0	0	0
b) decrease (due to)	0	22,408,772	2,726,960	2,726,960
- profit distribution from previous years	0	22,408,772	2,726,960	2,726,960
5.3. Closing balance of previous years' profit	206,774	206,774	206,774	206,774
5.4. Opening balance of previous years' loss	-73,751	-73,751	0	0
a) changes to the adopted accounting principles (policy)	0	0	0	0
b) adjustment of errors	0	0	-73,751	-73,751
5.5. Opening balance of previous years' loss after adjustments	-73,751	-73,751	-73,751	-73,751
a) increase (due to)	0	0	0	0
b) decrease (due to)	0	0	0	0
5.6. Closing balance of previous years' loss	-73,751	-73,751	-73,751	-73,751
5.7. Closing balance of previous years' profit (loss)	133,023	133,023	133,023	133,023
6. Net result	21,138,939	21,138,939	22,408,772	15,806,588
a) net profit	21,138,939	21,138,939	22,408,772	15,806,588
b) net loss	0	0	0	0
c) write-offs from profit	0	0	0	0
III. Closing balance of equity	61,522,567	61,522,567	35,481,063	27,479,948
IV. Equity including proposed profit distribution (loss coverage)	61,522,567	61,522,567	35,481,063	27,479,948



CASH FLOW STATEMENT

(in PLN)

	01.07.2021 -30.09.2021	01.07.2020 -30.09.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020
A. Cash flows from operating activities				
I. Net profit / loss	9,077,014	-275,489	21,138,939	15,806,588
II. Total adjustments	3,338,326	6,610,760	3,395,406	4,287,199
1. Amortisation and depreciation	168,525	66,074	1,426,726	1,086,525
2. Exchange gains (losses)	-38,367	-535,827	-39,782	-207,118
3. Interest and profit sharing (dividend)	0	0	0	0
4. Profit (loss) on investment activities	0	0	0	0
5. Change in provisions	517,110	174,804	1,298,258	302,242
6. Change in inventory	0	0	0	0
7. Change in receivables	921,829	2,614,805	-2,705,308	-2,450,017
8. Change in short-term liabilities excluding credits and loans	1,054,437	-94,300	1,509,332	1,392,168
9. Change in prepayments and accruals	-981,293	-271,557	-2,996,385	-367,229
10. Other adjustments	1,696,084	4,656,760	4,902,565	4,530,629
III. Net cash flows from operating activities (I+II)	12,415,340	6,335,271	24,534,345	20,093,788
B. Cash flows from investing activities				
I. Inflows	0	0	0	0
II. Outflows	639,458	853,585	2,565,109	2,236,643
1. Purchase of intangible assets and tangible fixed assets	639,458	853,585	2,565,109	2,137,835
2. Other outflows from investment activities	0	0	0	98,809
II. Net cash flows from investment activities (I-II)	-639,458	-853,585	-2,565,109	-2,236,643
C. Cash flows from financial activities				
I. Inflows	0	0	0	0
II. Outflows	37,366	28,269	110,904	112,002
1. Payments of liabilities under the lease agreement	37,366	28,269	110,904	112,002
2. Interest	0	0	0	0
3. Other outflows from financial activities	0	0	0	0
III. Net cash flows from financial activities (I-II)	-37,366	-28,269	-110,904	-112,002
D. Total net cash flows (A.III+B.III+C.III)	11,738,517	5,453,417	21,858,332	17,745,143
E. Balance sheet change in cash, including:	11,776,884	5,989,243	21,898,113	17,952,261
- change in cash due to exchange rate differences	-38,367	-535,827	-39,782	-207,118
F. Cash opening balance	38,113,094	18,528,954	27,993,279	6,237,228
G. Cash closing balance (F+D), including:	49,851,611	23,982,371	49,851,611	23,982,371
- of limited disposability	0	0	0	0



ADDITIONAL INFORMATION TO THE CONDENSED FINANCIAL STATEMENTS

1. General Information

Company:	Creepy Jar S.A.
Registered office	Warsaw
Address:	ul. Człuchowska 9, 01-360 Warsaw
E-mail address:	office@creepyjar.com
Website:	www.creepyjar.com
Registry court	District Court for the Capital City of Warsaw in Warsaw, XIV Commercial Division of the National Court Register
KRS	0000666293
REGON	366335731
NIP	1182136414

Creepy Jar S.A. (hereinafter referred to as the “Company” or the “Issuer”) was incorporated on 16 December 2016 by a notarial deed comprising the consent to the incorporation of the Company, the wording of the Articles of Association and a statement of consent to the subscription of the share capital in its entirety (notarial deed drawn up before notary Sylwia Jankiewicz in the Notary's Office in Kraków for Rep. A No. 4475/2016). The Company was registered with the National Court Register on 2 March 2017.

As of the date of this report, all shares of the Company are publicly traded on the regulated market (main market) of the Warsaw Stock Exchange S.A.

2. Information on the composition of the Management Board and the Supervisory Board of the Company

Composition of the Issuer's Management Board as at 30.09.2021:

Full name	Function
Krzysztof Kwiatek	President of the Board
Krzysztof Sałek	Member of the Board
Tomasz Soból	Member of the Board

There were no changes in the composition of the Issuer's Management Board in the reporting period.

Composition of the Issuer's Supervisory Board as at 30.09.2021:

Full name	Function
Michał Paziewski	Chairman of the Supervisory Board
Mirosława Cienkowska	Member of the Supervisory Board
Artur Lebedziński	Member of the Supervisory Board
Tomasz Likowski	Member of the Supervisory Board
Piotr Piskorz	Member of the Supervisory Board

Composition of the Audit Committee:

Full name	Function
Mirosława Cienkowska	Chairwoman of the Audit Committee
Michał Paziewski	Member of the Audit Committee
Piotr Piskorz	Member of the Audit Committee

There were no changes in the composition of the Issuer's Supervisory Board in the reporting period.



3. Information on the principles adopted when drawing up the report

These condensed financial statements (hereinafter referred to as “Financial Statements”) have been prepared in accordance with the regulations:

- the Accounting Act of 29 September 1994 (consolidated text, Dz. U. 2021 item 217, as amended),
- Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Dz. U. of 2018, item 757) (the “Regulation on Current and Periodic Information”).

The financial statements have been prepared on the assumption that the Company will continue as a going concern.

The financial statements were prepared for the period from 1 July 2021 to 30 September 2021 and from 1 January 2021 to 30 September 2021 and as of 30 September 2021. Comparable data are presented for the corresponding period of 2020 and as of 31 December 2020 in accordance with the Regulation on current and periodic information.

In the period covered by these Financial Statements, there were no material differences in estimates.

Unless otherwise indicated, all figures are presented in PLN.

Methods of valuation of assets and liabilities and determination of the financial result

For the purpose of preparing these Financial Statements, methods of valuation of assets and liabilities were applied and the principles for determination of the financial result were in accordance with the Accounting Policy binding in the Company (subject to the changes presented in item 5 below).

Principles of recording fixed tangible and intangible assets

Fixed tangible assets and intangible assets are valued at purchase prices or production costs less depreciation or amortisation and impairment losses. The purchase price or production cost of a fixed assets is increased by the cost of its improvement.

The purchase price and production cost of fixed assets, tangible assets under construction and intangible assets include all their costs incurred by the Company for the period of construction, assembly, adaptation and improvement until the date of their adoption for use, including the cost of servicing liabilities incurred to finance them and the related exchange differences less the related revenue.

Depreciation and amortisation of tangible and intangible assets is made starting from the month following the month in which they were accepted for use.

The straight-line method of depreciation is used for tangible and intangible assets, except for R&D works.

Typical annual depreciation rates are as follows:

Buildings and structures	1.5-4.5%
IT equipment	20-30%
Technical equipment and machines	10-20%
Vehicles	20%
Furniture, tools, instruments, movable property, equipment	20%
Licences, R&D expenses	10-50%
Other intangible assets	20%

In case of tangible and intangible assets acquires as used as well as those showing accelerated wear and tear and in untypical cases and in case of untypical assets, depreciation rates may be set outside the ranges indicated above.



For tangible and intangible assets for which depreciation rates specified in the Corporate Income Tax Act (tax rates) do not differ materially from the depreciation rates resulting from the economic useful lives, tax rates are applied.

Tangible and intangible assets with an expected useful life of more than one year and an initial value equal to or less than PLN 10,000.00 are entered in the balance sheet records of fixed assets and depreciated once in the month in which they are accepted for use.

The correctness of the applied depreciation periods and rates of tangibles assets is periodically verified by the Company.

Development costs

The costs of completed development works related to the production of games carried out by the Company, incurred prior to the production or application of technology, are classified as intangible assets, if all of the following conditions are met:

- the product or production technology are precisely specified and the related development costs are reliably determined,
- the technical usefulness of the product or technology has been established and properly documented and on this basis the Company has made a decision to manufacture these products or to apply the technology,
- the development costs are expected to be covered by revenues from the sale of these products or application of technology.

The development costs are subject to straight-line amortisation over the economic useful life of the development results or in case of projects for which it is possible to determine the reliable estimates of the quantity or value of sales, the Company amortises the value of these projects using the natural method, in relation to the planned volume of sales. If in exceptional cases it is not possible to reliably estimate the economic useful life of the results of completed development works, the period of write-downs may not exceed 5 years.

Amortisation of completed development works is made starting from the month following the month in which they were accepted for use.

The principles specified above for making impairment losses apply to the costs of completed development works.

The costs of development works in the period until their completion are recognised as long-term prepayments.

Leasing

The Company applies the principles of qualification of lease, tenancy, leasing and other similar agreements provided for in Article 3 (4) and (5) of the Accounting Act. If the Company is a party to lease, tenancy, leasing or other similar agreements under which it has accepted third-party tangible or intangible assets for use, under which substantially all the risks and benefits resulting from the ownership of assets being the subject matter of the agreement are transferred, the subject matter of the agreement is recognised under assets in the balance sheet. The subject matter of the agreement is initially recognised at the lower of two values: the fair value or the present value of the minimum lease payments. Lease liabilities are valued at adjusted purchase price.

Investments

Investments include assets held for the purpose of obtaining economic benefits from appreciation in value of these assets, revenues resulting therefrom in the form of interest, dividends (shares in profit) or other benefits, including from business transactions, and in particular financial assets and those real estate and tangible and intangible assets that are not used by the Company, but are held in order to obtain economic benefits.



Receivables and liabilities not classified as investments or financial liabilities

Receivables are recognised at the amount required to be paid, while applying the prudent valuation principle. Receivables are revalued taking into account the degree of probability of their payment, by means of a revaluation write-down included respectively in other operating costs or financial costs – depending on the type of receivables to which the revaluation write-down relates. Revaluation write-downs are created for individual receivables. It is allowed to create revaluation write-downs for groups of receivables respectively to their overdue status, if receivables to which this approach is applied are not individually significant. Liabilities are valued at the amount due.

Receivables and liabilities are classified as:

- short-term receivables or liabilities in relation to all trade receivables and liabilities and all or part of other receivables and liabilities that are due within 12 months of the balance sheet date,
- long-term receivables and liabilities – in relation to receivables other than short-term receivables.

Receivables and liabilities expressed in foreign currency as at the balance sheet date are valued using the average exchange rate announced by the National Bank of Poland at that date.

Prepayments and accruals

The Company makes prepayments in relation to costs incurred with regard to future reporting periods. Write-offs of prepayments are made according to the lapse of time or the amount of benefits, in accordance with the prudent valuation principle.

Game development costs incurred prior to the sale or application of new solutions are recognised as development expenditures in progress and presented as long-term accruals. When the work is completed and expenditures related to the implementation of a given project are recognised, the expenditures are transferred from the item of accruals to the item of costs of completed development works, presented in the balance sheet as intangible assets.

Accruals are made at the amount of probable liabilities falling due in the current reporting period, resulting in particular from services provided to the Company by contractors, when the amount of liability can be reliably estimated.

Accruals and deferred income are made in accordance with the prudence principle and include in particular the equivalent of funds received from or payable to contractors for services to be performed in subsequent reporting periods.

Provisions

Provisions are liabilities whose maturity date or amount is uncertain.

The Company creates provisions if it has a legal or constructive obligation resulting from past events and if it is probable that the settlement of this obligation will result in the use of the Company's already existing or future assets. Provisions are created if their amounts are material and reliable estimates can be made.

Provisions are created at the amount representing the best estimate of expenditures required to settle the present obligation as at the balance sheet date.

Provisions are not created for future operating losses.

Equity

Share capital is recognised at the amount specified in the Company's articles of association and entered in the court register.

Supplementary capital is recognised at the amount of the share premium as well as profit distribution and other amounts, if the Company's articles of association and relevant resolutions of its bodies so provide.



Other elements of equity are recognised in accordance with the provisions of the Commercial Companies Code, the Accounting Act, the Company's articles of association, resolutions of the Company's bodies and when so provided in this accounting policy (principles), including in connection with the share-based payments made by the Company. The manner of recognising components of equity in connection with share-based payments is described below.

Revenues and expenses

Revenues and expenses are recognised on an accrual basis, i.e. in the financial year to which they relate, irrespective of when the payment is received or made and in accordance with the principle of matching revenues and expenses and the prudence principle.

Operating revenues and expenses

Operating revenues and expenses include revenues and expenses related to the reporting period other than revenues and expenses from financial operations and revenues and expenses from income tax and other compulsory charges on the financial result.

Revenues from sales of products are recognised in the profit and loss account, if all of the following conditions are met:

- the amount of revenues can be measured reliably,
- there is a sufficiently high probability that the Company obtains economic benefits from the transaction,
- the significant risk and benefits resulting from ownership of assets subject to sales have been transferred to the buyer and the Company is no longer permanently involved in the management of the assets transferred nor does it exercise effective control over them.

Revenues from sales include the disposal of products manufactured by the Company to which it has exclusive licensing rights from their manufacture or has acquired licences to publish or distribute them.

The Company licenses its software (intellectual property) to game distributors. The licence granted for a set period of time give the distributors access to the intellectual property in the form in which it exists during the licence period. The basis for revenue recognition constitute royalties from the sales of game distribution licences. These revenues depend on the amount of sales made by the distributor to the end user in a given reporting period. Revenue from sales of a given product is recognised in the period of sale based on sales reports to end users received by the Company from game distributors.

Revenues include amounts received or due for products supplied to purchasers, less commissions or similar amounts for participation in sale charged by distributors in accordance with relevant agreements as well as trade discounts, if any, and value added tax (VAT). The amount of revenues is measured at the value of payment received or due.

Other operating revenues and expenses include revenues and expenses related indirectly to the Company's operating activities.

Revenues and expenses of financial operations

Revenues and expenses of financial operations include in particular:

- profits and losses on the disposal and valuation of financial instruments other than receivables and liabilities resulting from operating activities,
- interest received and due as well as similar fees and commissions, if they do not increase the initial value of assets,
- dividends received and due,
- exchange differences if they are not charged to the initial value of assets.



Interest income and expenses are recognised using the effective interest rate. It is allowed to calculate interest on a simplified basis, if the difference between the amount of interest so determined and the amount resulting from the use of effective interest rate is immaterial,

Income tax

Current income tax is recognised in accordance with applicable tax laws.

In connection with temporary differences between the book value of assets and liabilities and their tax value and tax loss deductible in the future the Company creates a provision and establishes deferred tax assets.

Deferred tax assets are established in the amount expected to be deducted from income tax in the future due to negative temporary differences that will reduce the income tax base and deductible tax loss in the future, in accordance with the prudence principle.

Deferred tax liability is established for the amount of income tax payable in the future in connection with positive temporary differences, i.e. differences that will increase the income tax base in the future.

The amount of deferred tax liabilities and assets is established taking into account the income tax rates applicable in the year when the tax obligation arose.

Deferred tax liabilities and assets may be presented in the balance sheet after offsetting, if the Company has a title authorising it to take them into account simultaneously when calculating the amount of tax liability.

Transactions in foreign currencies

Economic transactions expressed in foreign currencies are recognised in the accounting books as at the day of their performance at:

- the actually applied exchange rate on that day, resulting from the nature of operation – in case of selling or buying currencies and payment of receivables or liabilities,
- the average exchange rate announced for a given currency by the National Bank of Poland on the day preceding that day – in case of paying receivables or liabilities, if it is not reasonable to apply the exchange rate referred to above as well as in case of other operations.

As at the balance sheet date transactions expressed in foreign currencies are valued at the average exchange rate announced for a given currency by the National Bank of Poland for that day.

Exchange differences resulting from the valuation as at the balance sheet date of assets and liabilities expressed in foreign currencies, except for long-term investments, and resulting from the payment of receivables and liabilities in foreign currencies, as well as from the sale of currencies, are included respectively in financial revenues or expenditures, and in justified cases – in the production cost of products or purchase price of goods, as well as in the purchase price or production cost of fixed assets, fixed assets under construction or intangible assets.

Profit and loss account

The Company prepares a profit and loss account in a comparative version.

Cash flow statement

The Company prepares a cash flow statement using indirect method.

Statement of changes in equity

The Company prepares a statement of changes in equity.

Financial instruments

Shares and stocks in subordinated entities classified as fixed assets are valued at purchase price less impairment losses.



Financial instruments other than shares and stocks in subordinated entities, rights and obligations under lease and insurance agreements, trade receivables and liabilities as well as financial instruments issued by the Company, constituting its equity instruments, are recognised and valued in accordance with the Regulation of the Minister of Finance of 12 December 2001 on detailed principles of recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments (as amended).

Financial assets are classified in one of the following categories:

- financial assets held for trading,
- loans granted and own receivables,
- financial assets held to maturity,
- financial assets available for sale.

Financial liabilities are classified in one of the following categories:

- financial liabilities held for trading,
- other financial liabilities.

Financial assets are classified as current assets, if they are payable and due or intended for disposal within 12 months of the balance sheet date or from the date of their establishment, issue or acquisition or if they are cash equivalents. In other cases financial assets are included in fixed assets.

Financial liabilities are classified as short-term liabilities if they are due within 12 months of the balance sheet date. In other cases financial liabilities are included in long-term liabilities.

Financial assets are entered in the accounting books on the date of concluding an agreement at the purchase price, i.e. at the fair value of the expenses incurred or other assets transferred in exchange, whereas financial liabilities at the fair value of the amount received or the value of other assets received. When determining the fair value at that date the transaction costs incurred by the Company are taken into account; transaction costs can be ignored when determining the fair value if they are immaterial.

Transactions of buying and selling financial instruments made in regulated trading are entered in the accounting books on the date of their settlement.

Hedge accounting

The Company does not apply hedge accounting.

Share-based payments

In case of share-based payments (also settled in other equity instruments) granted to employees, associates and members of the Company's Management Board, the fair value of the instruments is determined at the grant date. To determine the fair value of the instruments granted, an option pricing model is applied which takes into account, among other things, the Company's share price as at the vesting date, the volatility of the share price, the risk-free interest rate, the exercise price of the option and the period in which the option may be exercised.

The fair value of equity-settled share-based payments determined at the grant date is charged to compensation expense on a straight-line basis over the vesting period, taking into account the terms and conditions of the instruments granted based on the Company's respective estimates, with a corresponding increase to reserves. At each balance sheet date, the Company revises its estimates of the number of equity instruments expected to be granted. The impact, if any, of the revision of the original estimates is recognised in the profit and loss account over the remaining period of the grant, with a corresponding adjustment to the share-based payment reserve. Stock options or other rights outstanding under share-based payment arrangements are not financial instruments.



4. Information on changes in Accounting Policy in the current financial year and their effect on the financial result and equity

In view of the adoption by the General Meeting of Shareholders on 23 July 2020 of the Incentive Scheme Regulations for 2020-2022, the Company on 7 April 2021 adopted a new Accounting Policy with effect from 1 January 2020. The new Accounting Policy introduced in particular provisions concerning the recognition of share-based payments under the Incentive Scheme.

In case of share-based payments (also settled in other equity instruments) granted to employees, associates and members of the Company's management board, the fair value of the instruments is determined at the grant date.

To determine the fair value of the instruments granted, an option pricing model is applied which takes into account, among other things, the Company's share price as at the vesting date, the volatility of the share price, the risk-free interest rate, the exercise price of the option and the period in which the option may be exercised.

The fair value of equity-settled share-based payments determined at the grant date is charged to compensation expense on a straight-line basis over the vesting period, taking into account the terms and conditions of the instruments granted based on the Company's respective estimates, with a corresponding increase to reserves. At each balance sheet date, the Company revises its estimates of the number of equity instruments expected to be granted. The impact, if any, of the revision of the original estimates is recognised in the profit and loss account over the remaining period of the grant, with a corresponding adjustment to the share-based payment reserve.

Stock options or other rights outstanding under share-based payment arrangements are not financial instruments.

In connection with the application of the principles of measurement and recognition of share-based payments, as described above, in the third quarter of 2021 salary costs and reserve capital of PLN 1.7 million were recognized.

By virtue of the Management Board's resolution of 18 June 2021, an adjustment and consolidated text of the Accounting Policy of 7 April 2021 were introduced, including more precise clarification regarding the manner of presentation of deferred income tax assets and liabilities.

As a result of executing an annex to one of the license agreements regarding the game Green Hell, starting from June 2021 the Company recognizes revenues from this relation during the period in which the licensee receives revenues from the sale of the game from the operator of the distribution platform, i.e. in a manner different than that applied in the case of the Company's direct relations with the game's distributors, when revenues are recognized during the period of sale to the end user.

5. Amount and type of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, value or frequency

In the financial results for the third quarter of 2021 the Issuer does not identify amounts or items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, value or frequency.

6. Explanations concerning seasonality or cyclicity of the issuer's activities in the presented period

In the financial results for the third quarter of 2021, the Issuer does not identify the phenomenon of seasonality or cyclicity.



At the same time, it should be emphasized that the highest sales revenue to date have been recorded in periods immediately following the game's launch or the addition of new updates (e.g. co-op mode, expansion packs of Spirits of Amazonia series), which were further reinforced by periodic price cuts. In the periods between significant updates or expansions, turnover is significantly lower, which can result in significant differences in revenue values and disparities in financial performance from one reporting period to the next. The Issuer tries to minimize this effect by adding subsequent free updates, expanding the content of "Green Hell" and extending the life of the product on the market, while spreading sales over different periods of the year.

7. Information on write-downs of inventories to net realisable value and reversal of write-downs

In the period from 1 July to 30 September 2021, the Issuer did not make any inventory write-downs.

8. Information on impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, and reversal of such write-offs

In the period from 1 July to 30 September 2021, the Issuer did not make any impairment losses on assets.

9. Information on the creation, increase, use and release of provisions

In the third quarter of 2021 a provision was created for potential bonuses for management board members in the amount of PLN 547,590. The final amount and payment of the bonus will depend on the Company's net profit for the full year 2021 in accordance with the principles set out in the Company's Remuneration Policy.

(in PLN)

Provisions	01.01.2021 - 30.09.2021	01.01.2021 - 30.06.2021	01.01.2020 - 31.12.2020	01.01.2020 - 30.09.2020
Opening balance	0	0	0	0
Release of provisions	0	0	0	0
Use of provisions	38,600	0	0	0
Creation of provisions	1,309,821	759,731	0	0
Closing balance, including:	1,271,221	759,731	0	0
-long-term	0	0	0	0
-short-term, including:	1,271,221	759,731	0	0
- other provisions	1,271,221	759,731	0	0

There were no other increases, uses or releases of provisions in the reported period.

10. Information on deferred tax assets

(in PLN)

Deferred tax liability	30.09.2021	30.06.2021	31.12.2020	30.09.2020
Provision for tax for costs incurred but recognised in the result in future periods	0	0	83,529	31,800
Expenditures on intangible assets	97,467	97,467	0	203,684
Undepreciated value of vehicles	28,018	30,701	25,476	79,277
Balance sheet valuation	10,558	2,255	0	19,281
Total	136,042	130,422	109,005	334,042



(in PLN)

Deferred tax assets	30.09.2021	30.06.2021	31.12.2020	30.09.2020
IP Box	2,853,546	1,724,892	0	0
Provision for bonuses for the Management Board	117,825	191,734	88,129	189,486
Financial lease liabilities	26,029	28,337	23,224	71,837
Unpaid salaries, social security contributions, employee capital plans	10,158	9,478	0	0
Provision for financial statement audit	0	3,250	2,493	14,250
Other provisions	232	334	0	0
Balance sheet valuation	0	197	0	0
Total	3,007,791	1,958,222	113,846	275,573

11. Information on significant transactions of purchase and sale of tangible assets

In the third quarter of 2021, the Issuer did not make any significant purchase or sale transactions of tangible assets.

12. Information on significant liability due to purchase of fixed assets

In the third quarter of 2021, the Issuer did not have any significant liabilities due to the purchase of tangible assets.

13. Information on significant litigation settlements

In the third quarter of 2021, the Issuer was not a party to any court or arbitration proceedings which could have or had a significant impact on the financial position or profitability of the Company.

14. Indication of adjustments of prior period errors

During the preparation of the historical financial information for the purposes of the Prospectus of the Company approved by the Financial Supervision Committee on 17 March 2021, corrections were made to the financial data for 2018 and 2019, causing the comparative data for the third quarter of 2020 to be restated in comparison to the data presented in the EBI Quarterly Report 23/2020 dated 16 November 2020. A detailed description of the adjustments is included in Note 61 of the Historical Financial Information for the period 1 January to 30 June 2020 forming part of the aforementioned Prospectus.

The prospectus is available at <http://www.ir.creepyjar.com/>

Moreover, as part of the preparation of the Company's annual financial statements for 2020 adjustments were made to the comparative data for 2019 which affected, among other things, the opening balance of the statement of changes in equity. A detailed description of the adjustments is included in Note 64 and Note 66 of the Financial Statements for 2020. This report is available at <http://www.ir.creepyjar.com/>

15. Information about changes in economic conditions and operating conditions that have a significant effect on the fair value of the entity's financial assets and financial liabilities, regardless of whether those assets and liabilities are recognised at fair value or at adjusted purchase price (amortised cost)

In the reporting period, there were no changes in the economic situation and operating conditions that would have a significant impact on the fair value of financial assets and financial liabilities.



16. Information on non-repayment of a loan or borrowing, or violation of material provisions of a loan or borrowing agreement, in respect of which no remedial action had been taken by the end of the reporting period
-

In the third quarter of 2021, the Company did not have any agreements on loans or borrowings.

17. Information on conclusion by the Issuer of one or more transactions with related entities if they were concluded on non-market terms
-

In the third quarter of 2021 the Issuer did not conclude any significant transactions with related entities on conditions other than market conditions.

18. Information on change in manner (method) of determining measurement of financial instruments measured at fair value
-

In the third quarter of 2021 there were no changes in the manner (method) of determining the valuation of financial instruments measured at fair value.

19. Information about changes in the classification of financial assets as a result of changes to the purpose or use of these assets
-

In the third quarter of 2021 there were no changes in the classification of financial assets as a result of a change in the purpose or use of such assets.

20. Information concerning the issue, redemption and repayment of securities
-

In the third quarter of 2021 there were no events of issue, redemption or repayment of securities.

21. Information on paid (declared) dividend
-

In the period covered by this report, the Issuer did not declare or pay any dividends.

22. Events that occurred after the date as of which the condensed quarterly financial statements were drawn up and not included in these statements, which could significantly affect the Issuer's future financial performance
-

As at the date of approval of these Financial Statements for publication, the Company's Management Board does not identify any events not recognized in these statements which may materially affect its future financial results.

23. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year
-

Since the end of the last financial year, the Issuer has not incurred any contingent liabilities and does not identify any contingent assets.



24. Other information that may significantly affect the assessment of the Issuer's property, financial condition and results of operations

Net income in the third quarter of 2021 was significantly impacted by the recognition of non-cash expenses related to share-based payments to the Company's employees, associates and Board Members resulting from the 2020-2022 Incentive Plan adopted by the Company's General Meeting of Shareholders on 23 July 2020. Therefore, in the third quarter of 2021, the cost of remuneration was recognized in the amount of PLN 1.7 million.

In addition, the Company continues to observe and analyse the impact of the spread of COVID-19 disease epidemic in Poland and in other countries where the Company's products are sold. To date, i.e. to the date of publication of this Report, it has had no impact on the Company's operations and results.

Together with the periodic restrictions on movement and organisation of gatherings introduced in 2020 the Company took measures aiming at introducing a remote work model in the Company. The purpose of this initiative was to minimise the risk of infections among the Company's staff. As part of the measures taken, changes were introduced to the network infrastructure and software to enable safe and effective remote work, including ensuring communication between the Management Board and team members. At present the Company is ready to immediately return to remote working mode in case of renewed restrictions.

Taking into account the Company's cash balance, investment plans related to the production of games and in the absence of significant liabilities it should be stated that even a prolonged COVID-19 epidemic does not pose a threat to the Company's prospects and liquidity over the next 12 months.

OTHER INFORMATION





OTHER INFORMATION

1. Significant achievements or failures of the Issuer in the third quarter of 2021

Commentary on the financial results for the third quarter of 2021

The high level of sales revenues in the third quarter of 2021 was achieved thanks to very good sales of the “Green Hell” game on all platforms. In June 2021, the “Green Hell” game debuted on PlayStation 4 and Xbox One consoles, and the second part of the Spirits of Amazonia expansion pack (additionally enhanced by a periodic price reduction) was made available on the STEAM platform, which had a positive impact on the reported period.

In the third quarter of 2021, the Company achieved net revenues from the sale of “Green Hell” in the amount of PLN 14.1 million compared to PLN 13.0 million in Q2 2021 (increase by 8% q/q). In terms of sales revenues generated, the third quarter of 2021 was the second-best quarter in the Company's history.

In the reported period, 66% of revenues were generated from sales on Sony PlayStation, Microsoft Xbox and Nintendo Switch consoles, while sales on the STEAM platform accounted for 34% of revenues. Gross sales in terms of quantity from 1 July 2021 to 30 September 2021 on STEAM, PlayStation Store and Microsoft Store platforms (versions of the game to which the Company holds publishing rights) amounted to PLN 312 thousand copies, including 138 thousand copies on PlayStation and Xbox consoles. On 15 November this year the Company announced that the total gross sales of “Green Hell” on STEAM, PlayStation Store and Microsoft Store platforms from the beginning of 2021 amounted to 1.076 thousand copies.

In the third quarter of 2021 the Company generated PLN 9.9 million operating profit (an increase by 13% q/q) and PLN 10.1 million EBITDA (an increase by 10% q/q). This allowed it to achieve EBIT profitability at the level of 71% (an increase by 4 pp compared to the second quarter of 2021) and 72% of EBITDA profitability. The net profit in the reported period increased by 25% q/q to PLN 9.1 million, and the net margin was 64.5% (an increase by 9 pp).

The operating costs remained stable and in the third quarter of 2021 they amounted to PLN 4.1 million. The largest items, as in the second quarter of 2021, were salaries (PLN 2.5 million) and external services (PLN 1.3 million). In the reported period, the cost of remuneration was recognised in connection with the implementation of the Incentive Scheme for 2020-2022 in the amount of PLN 1.7 million. Amortisation in the third quarter of 2021 amounted to PLN 0.17 million and was lower by PLN 0.28 million q/q due to the completion of amortisation of the Spirits of Amazonia expansion pack for PC in the second quarter of 2021.

The balance sheet total as of 30.09.2021 amounted to PLN 66.6 million, which means an increase by PLN 12.3 million compared to the balance as of 30.06.2021. Fixed assets increased to PLN 7.2 million. This is due to an increase in the deferred tax asset (PLN 1.0 million) and expenditure on unfinished development works (PLN 0.6 million) recognised in long-term accruals. As a consequence of the increase in cash by PLN 11.8 million in Q3 2021, current assets increased by 22% q/q.

In the reported period, the Company maintained over 90% share of equity in the balance sheet total. The increase in short-term liabilities to PLN 3.4 million is the result of an increase in public-law liabilities (PLN 2.4 million) with a simultaneous decrease in payroll liabilities (PLN -1.35 million q/q).

The company maintains a high cash generating efficiency. Cash flow from operating activities in the third quarter of 2021 amounted to PLN 12.4 million, which means an increase by 280% compared to the second quarter of 2021. Operating cash flow and net cash flow in the reported period (PLN 11.7 million, an increase by 408% q/q) are at similar levels to the historically highest results in the second quarter of 2020. The Company's cash resources increased to a record PLN 49.9 million compared to PLN 38.1 million as of 30 June 2021 and PLN 28.0 million as of 31 December 2020. This is primarily due to the continued high sales of “Green Hell” while maintaining cost discipline in the third quarter of 2021.



Game production

In the third quarter of 2021, the Company continued working on the third part of the Spirits of Amazonia expansion pack for PC, closing the cycle. At the same time, advanced work was carried out by the external studio on porting the first two parts of Spirits of Amazonia expansion packs for consoles (PlayStation 4 and Xbox One). In the reported period, the Company continued working on its second original project under the working title CHIMERA. In the first half of 2021, the pre-production part was completed and the actual production of the game is currently underway. At present, most of the Company's production team is involved in work on the project. CHIMERA will be a game combining the features of an advanced base building simulator with survival elements. Like "Green Hell", the game will be narrated from a first-person perspective, but this time it will take place in a science-fiction setting. At the same time, in contrast to "Green Hell", it will be dedicated to more casual players. Among various distribution options, the Company is considering the release of CHIMERA simultaneously on PC and on next-generation consoles in the self-publishing model, but it does not exclude cooperation with the publisher as well.

The Company has sufficient cash resources to complete the new game. The total value of expenditure incurred on the production of CHIMERA as of 30 September 2021 amounted to PLN 2.4 million, of which over PLN 495 thousand was incurred in the third quarter of 2021.

2. Factors and events, including those of an untypical nature, having a material impact on the condensed financial statements

In the third quarter 2021 there were no factors of unusual nature that affected the financial results achieved by the Company in the period.

3. Description of changes in the organization of the Issuer's capital group

Not applicable. The Issuer does not form a capital group.

4. The Management Board's position concerning the possibility of fulfilment of previously published result forecasts for a given year in the light of the results presented in the quarterly report in relation to the forecast results

The Company did not publish any financial estimates or forecasts concerning the presented period.

5. Issuer's shareholding structure as at the date of submission of the quarterly report

Shareholder	No. of shares	% in share capital	No. of votes	% of votes
VENTURE FIZ	87,361	12.86%	87,361	12.86%
Krzysztof Kwiatek	73,879	10.87%	73,879	10.87%
Krzysztof Sałek	73,878	10.87%	73,878	10.87%
Tomasz Soból	73,752	10.85%	73,752	10.85%
Marek Soból	51,650	7.60%	51,650	7.60%
Aviva Investors Poland TFI S.A.	46,583	6.86%	46,583	6.86%
Shareholders with <5% of votes at the General Meeting of Shareholders	272,333	40.08%	272,333	40.08%
Total	679,436	100.00%	679,436	100.00%



The data concerning the number of shares held by Venture FIZ and Aviva Investors Poland TFI S.A. were presented on the basis of the number of shares registered at the Ordinary General Meeting of Shareholders of the Company held on 24 June 2021.

The data concerning the number of shares held by Mr Marek Sobóla has been presented on the basis of the number of shares registered at the Extraordinary General Meeting of Shareholders of the Company held on 14 May 2020.

To the best of the Issuer's knowledge there were no changes in the ownership structure of significant holdings of the Issuer's shares during the third quarter of 2021 and until the date of publication of this report.

6. Shares of the Issuer or rights thereto held by persons managing and supervising the Issuer as at the date of submitting the quarterly report

Shareholder	Position	No. of shares	% in share capital	No. of votes	% of votes
Krzysztof Kwiatek	President of the Board	73,879	10.87%	73,879	10.87%
Krzysztof Sałek	Member of the Board	73,878	10.87%	73,878	10.87%
Tomasz Soból	Member of the Board	73,752	10.85%	73,752	10.85%
Michał Paziewski	Member of the Supervisory Board	279	0.04%	279	0.04%

In the third quarter of 2021 and until the date of publication of this report, there were no changes in the ownership of the Company's shares by persons managing and supervising Creepy Jar S.A.

7. Material proceedings pending before court, competent arbitration authority or public administration authority concerning the Issuer's liabilities and receivables

As at the date of publication of this report and for a period of at least 12 months preceding the date hereof, the Company is not, nor has it been a party to any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or, to the best of the Company's knowledge, threatened) concerning the liabilities or receivables of the Company.

8. Information on conclusion by the Issuer of one or more transactions with related entities if they were concluded on non-market terms

In the third quarter of 2021 the Issuer did not conclude any significant transactions with related entities on conditions other than market conditions.

9. Information on credit or loan sureties or guarantees granted by the Issuer

In the third quarter of 2021 the Company has not granted any sureties or guarantees, including those from entities related to the Issuer.

10. Information which, in the Issuer's opinion, is significant for the assessment of its personnel, property, financial situation, financial result and their changes as well as information which is significant for the assessment of the Issuer's ability to fulfil its obligations

As of 30 September 2021, the Company's team included 30 permanent employees.



The table below presents the capital expenditure, including the expenditure on game production, incurred by the Company in the third quarter of 2021 and cumulatively in the three quarters of 2021 together with comparative data.

(in PLN)

Capital expenditure	01.07.2021 -30.09.2021	01.07.2020 -30.09.2020	01.01.2021 -30.09.2021	01.01.2020 -31.09.2020
Acquisition of property, plant and equipment	48,464	27,006	236,810	108,364
Development costs – game development costs	562,132	826,579	2,266,074	1,993,265
Acquisition of other intangible assets	28,861	0	62,225	36,205
Other	0	0	0	98,809
Total	639,458	853,585	2,565,109	2,236,643

Apart from the information mentioned above and presented in this report, the Issuer does not possess any other significant information which might significantly affect the assessment of its personnel, property, financial situation, financial result and their changes, as well as the assessment of the possibility of fulfilling its obligations by the Issuer.

11. Indication of factors which, in the Issuer's opinion, will affect its results in the perspective of at least the next quarter

In the Issuer's opinion, the following factors will have a direct impact on the financial results achieved in at least the next quarter:

- 1) "Green Hell" expansion pack with new updates (last part of "Spirits of Amazonia" on PC and two previous parts on XbOX and PlayStation) and periodic price cuts on STEAM, XbOX and PlayStation,
- 2) "Green Hell" premiere on virtual reality platforms – STEAM VR, Oculus and HTC Vive, for which the port and release is responsible Incuvo S.A.,
- 3) release of "Green Hell" for current-generation XbOX Series S|X and PlayStation 5 consoles,
- 4) development work connected with the production of CHIMERA – an advanced simulator from the borderline of base building and survival, from the first person perspective in a science-fiction setting.



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